
Introduced by Senator Maldonado

February 22, 2005

An act to amend Section 6147 of the Business and Professions Code, relating to attorneys.

LEGISLATIVE COUNSEL'S DIGEST

SB 915, as introduced, Maldonado. Attorneys: contingency fees.

Existing law, the State Bar Act, provides for the licensing and regulation of attorneys by the State Bar of California. Existing law requires an attorney who contracts to represent a client on a contingency fee basis to provide a written copy of the contract, including the contingency fee rate agreed upon.

This bill would make a nonsubstantive change to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 6147 of the Business and Professions
2 Code is amended to read:
3 6147. (a) An attorney who contracts to represent a client on a
4 contingency fee basis shall, at the time the contract is entered
5 into, provide a duplicate copy of the contract, signed by both the
6 attorney and the client, or the client's guardian or representative,
7 to the plaintiff, or to the client's guardian or representative. The
8 contract shall be in writing and shall include, but is not limited
9 to, all of the following:
10 (1) A statement of the contingency fee rate ~~that~~ the client and
11 attorney have agreed upon.

1 (2) A statement as to how disbursements and costs incurred in
2 connection with the prosecution or settlement of the claim will
3 affect the contingency fee and the client's recovery.

4 (3) A statement as to what extent, if any, the client could be
5 required to pay any compensation to the attorney for related
6 matters that arise out of their relationship not covered by their
7 contingency fee contract. This may include any amounts
8 collected for the plaintiff by the attorney.

9 (4) Unless the claim is subject to the provisions of Section
10 6146, a statement that the fee is not set by law but is negotiable
11 between attorney and client.

12 (5) If the claim is subject to the provisions of Section 6146, a
13 statement that the rates set forth in that section are the maximum
14 limits for the contingency fee agreement, and that the attorney
15 and client may negotiate a lower rate.

16 (b) Failure to comply with any provision of this section
17 renders the agreement voidable at the option of the plaintiff, and
18 the attorney shall thereupon be entitled to collect a reasonable
19 fee.

20 (c) This section shall not apply to contingency fee contracts
21 for the recovery of workers' compensation benefits.

22 (d) This section shall become operative on January 1, 2000.